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SUBJECT: THE SCIENCE OF HARMONY--VIEWS FROM EAST CHINA

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CLASSIFIED BY: Kenneth Jarrett, Consul General, U.S. Consulate,  
Shanghai, Department of State.  
REASON: 1.4 (b), (d)

11. (C) Summary. According to several East China contacts, the "Scientific Development Concept" [kexue fazhan guan] (SDC) now is the core guiding ideology for the Communist Party, building on and supplanting the "Three Represents." The SDC takes as its goal the building of a Harmonious Society which has the end goal of doing away with all "social contradictions." Both the SDC and Harmonious Society put an emphasis on fairness of opportunity, although not necessarily fairness of outcome and both are designed to compensate for decades of overemphasis on efficiency in economic development at the cost of societal inequities. The stress on harmony highlights the party's 30-year move away from the traditional Marxist notion of "class struggle." In fact, the ideological shift, while ostensibly holding the Marxist road, is essentially taking China irrevocably down a decidedly un-Marxist path. Taken together with the emerging "Socialist Core Values," the SDC and Harmonious Society form a complete ideological package that seeks to provide purpose, direction, and relevance to the Party. It remains to be seen if Hu, like his predecessors Jiang Zemin and Deng Xiaoping, will be able to write his ideological contributions into the party constitution. End summary.

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Defining Scientific Development, "The Guiding Doctrine"  
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12. (C) In a series of conversations in recent months, Poloff probed East China contacts on Hu Jintao's two core ideological ideas, the Scientific Development Concept (SDC) and Harmonious Society. Unlike Embassy contacts, who expressed diverse views on which of these two concepts would be the "controlling element" in the final version of Hu's ideology (Ref A), our contacts uniformly considered the SDC, adopted by the Central Committee at the October 2003 Third Plenum of the 16th Party Congress, to be the core of the current leadership's ideological canon. On January 22, Shanghai Party School (SPS)

Administration Institute Dean Chen Xichun stated that in recent years, the SDC had been the most important ideological formulation, occupying a "commanding and guiding" position. The SDC, Chen said, was the next stage in ideological development, growing out of both Deng Xiaoping Theory and Jiang Zemin's "Important Thinking of the Three Represents."

13. (U) The 2005 Fifth Plenum elaborated that the SDC spelled out that in order to develop scientific development--in contrast to the "GDP-at-all-costs" mindset that had dominated the first two decades of reform--involved "six imperatives." Those included: 1) maintaining steady and fairly rapid economic growth; 2) accelerate changing the mode of economic growth (or as Professor Wang Xiaoguang with the National Development Reform Commission put it in an October 2005 Liaowang article, shifting from a growth model that relied on "high resource inputs" to something more sustainable); 3) enhancing independent innovative capabilities; 4) coordinating development between urban and rural areas; 5) building a "harmonious society;" and 6) deepening reform and opening up.

14. (C) Chen explained that the SDC took "putting people first" as its motto. The SDC was not just an economic program, but also encompassed political, cultural, and social development. These different types of development also needed coordination, with social development being key among these. To that end, the Party had put into effect new evaluative standards for cadre that emphasized not just GDP growth, but overall development. During a January 22 meeting, Tongji University Professor Frank Peng said that these changes in evaluative criteria reflected the shift towards "common prosperity" from Deng's "let some get rich first" mindset. He noted that Shanghai was now calculating "green GDP" and explained that the subtext of cadre training was to instill ideals in the cadre and give them reasons to do their jobs other than for personal financial gain. Peng opined that such efforts still did not have much traction.

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It May be Fast, But is it Good and Fair?  
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15. (C) Chen said that the SDC was a reaction to the "excessive" focus on GDP growth at all costs, the lack of control over the consumption of natural resources, and the neglect of the needs of workers and safety issues of Hu's predecessors. According to Chen, China had "developed quickly, but it has not been sustainable." During a January 23 discussion, China Executive Leadership Academy Pudong (CELAP) International Exchange and Program Director Jiang Haishan said that the policy towards economic growth had now shifted from "both fast and good" to "both good and fast," thereby switching the relative weight of the two adjectives. During an April 6 discussion with scholars from the Jiangsu Academy of Social Sciences (JASS), Director of the Research Coordination Office Tian Boping explained that whereas Deng Xiaoping had said "development is the last word" Hu, under the auspices of the SDC, was saying "allowing people to live better lives is the last word."

16. (C) During an April 3 meeting, Shanghai Academy of Social Sciences (SASS) Deng Xiaoping Thought Research Institute Director Xia Yulong explained that the contradictions between coastal China and China's interior had developed over decades and that China would need a long time to narrow the gap. The current priority of the SDC was not to shrink the gap, but to stop its growth. Xia said that there were some good trends in this regard, noting that in 2006, the GDP growth rate in some Western provinces was faster than that in the Eastern provinces. However, the overall growth in the West was still far below Eastern China. Eastern China enjoyed certain favorable geographical conditions that dictated it would likely always have a more advanced economy than the landlocked Western provinces. The only way China was going to narrow the gap between the coast and interior, Xia opined, was to slow development in coastal areas. The central leadership through

the SDC had done away with the policy of favoring the coast and adopted a "fair" policy that favored neither region.

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The Origins of an Ideology  
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¶17. (C) During a January 23 discussion, SASS Deng Xiaoping Thought Research Institute Deputy Director Cheng Weili agreed that the SDC was the guiding doctrine of the party and said it was identified personally with President Hu Jintao. Cheng explained that it emerged out of the nexus of three circumstances. First was the SARS epidemic of winter/spring 2002-2003. In response to the crisis, Chinese Academy of Engineering Secretary Xu Kuangdi came up with the "putting people first" slogan to characterize Hu and Wen's approach to dealing with the outbreak. (Note: Xu was also a popular former mayor of Shanghai who was removed abruptly and demoted to the engineering academy in 2001 due to personality conflicts with then-Shanghai Party Secretary Huang Ju. End note.) Second, during this period, the leadership began to recognize that development was at a crossroads and that China could no longer rely on natural resource-driven growth. Third, in the summer of 2003, the Rand Corporation published a report discussing eight problems with China's development (Note: Cheng did not elaborate on what the eight problems were. End note.). Chinese think-tanks and policymakers took note of the report, which, Cheng claimed, highly influenced the development of the SDC.

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I'd Like to Teach the World to Sing in Perfect Harmony  
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¶18. (C) Cheng explained that under the guiding ideology of the SDC, the Party had established the goal of building a Harmonious Society. The idea of building a Harmonious Society was officially written into party ideology at the Sixth Plenum in October 2006, although it had been in discussion for several years before that. As laid out at the Fifth Plenum, the creation of a Harmonious Society was one of the "six imperatives" that the SDC was to address. The two main elements of building a Harmonious Society as laid out in official press reports were a focus on harmony between people and harmony between people and nature.

¶19. (C) Cheng argued that Harmonious Society was the main goal of the SDC. In other words, as Nanjing Normal University Professor Zou Nongjian explained during an April 5 meeting, building a Harmonious Society--which was aimed at overcoming contradictions in society, the world order, and in all areas of life--was the goal and the SDC was the means to reach it. Zou's

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sentiment was expressed more or less uniformly by all of the contacts with whom we spoke.

¶10. (C) According to Cheng, this goal was as much propaganda and utopianism as it was science. Harmonious Society was the "strategic direction" (zhanlue fangzhen) for social construction and, in fact, had as its endpoint only "relative harmony," since "ultimate harmony" could only be realized under the establishment of communism. Chen Xichun explained that Harmonious Society was a "practical plan" (shiyong jihua) with a series of systemic goals and would be used to meet the public's desires when it came to overall development. Harmonious Society was now considered an "essential element" (benzhi shuxing) of socialism and was key to understanding what socialism was.

¶11. (C) Cheng believed that leftists such as economist Liu Guoguang and television business analyst Lang Xianping (Larry Lang) had figured prominently in the formulation of the Harmonious Society doctrine in 2004-05. Cheng also praised the work of Professor Zheng Yongnian, who identified two extreme forms of "worship" that Harmonious Society was meant to correct. First, was worship of the market, which did not resolve all the problems with education, the environment, and other areas.

Second, was the worship of government power, which Cheng said was characterized by the works of the Chinese Academy of Social Sciences' Marxist Academy. (Note: Zheng Yongnian is a professor in Singapore. He was originally from the PRC and earned his PhD in the United States. End note.)

¶12. (C) Cheng also explained that the only way for China to develop a Harmonious Society was to maintain a peaceful international environment. To that end, Cheng said, the central leadership had also developed the "Harmonious World" concept to govern its foreign policy. (Ref B)

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Harmony: It's all in Your Mind  
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¶13. (C) The overarching purpose of Harmonious Society was to establish social stability, according to Cheng. In order to do this, it was crucial to change people's attitudes and make them feel cared for. He stressed that a key element of building a Harmonious Society was the notion of justice. Previously, the party leadership had largely ignored social dynamics but now it was moving to address the bifurcation of society and ensure that there was a social safety net for everyone. The goal of changing people's attitudes, summed up by the slogan "Harmonious Civilization," was crucial to social stability. The government wanted to end the majority's sense of relative deprivation, which it perceived as the root cause behind many protests, and instead create a "harmonious" popular psychological outlook.

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Let Them Eat Cake  
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¶14. (C) During an April 5 discussion, Nanjing University Professor Hua Tao said that in simplest terms, Hu's ideological theories were designed to coordinate different societal interests and were a reaction to top leaders' concerns over social stratification, or the emergence of different interest groups. According to Hua, every society had some stratification of interest groups, but when that stratification became too pronounced, it threatened social stability. Increasing unrest in recent years had led Hu and Wen to be more concerned with equitable development and satisfying the many diverse societal constituency interest groups than their predecessors had been. In the past, the mindset was that if the cake was bigger, everyone would get to eat some. Now, they realized that it was not enough just to have a big cake, but that it must also be divided properly.

¶15. (C) During a March 16 meeting, China Europe International Business School (CEIBS) Honorary President and former Chinese Academy of Social Sciences Vice President Liu Ji also used the "cake" analogy, noting that Deng Xiaoping had been focused on expanding the economic "cake" so that there was enough for everyone through marketization. Jiang's Three Represents, had also focused on growing the cake through harnessing the productive forces represented by entrepreneurs on the one hand, and expanding the educated class and giving them a greater leading role on the other. Hu, with his ideological contributions, aimed to rectify some of the "contradictions"

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that had arisen through the past quarter century, without undoing China's burgeoning market economy. In other words, Hu was trying not only to make the cake larger, but ensure that everyone had the opportunity to have some. Liu was quick to point out, however, that there were no guarantees that everyone would eat the same size piece.

¶16. (C) Cheng Weili argued that China's development was not a zero-sum game. He explained that the party was focused now on national participation as the key to continued development. A bigger cake could only be obtained if everyone--not just coastal provinces--contributed to growth. According to Cheng, in the past, development theory advocated allowing some to get rich

first. Now, however, the party's new theory said that China must focus on building a better social safety net--including retirement payments, education, and health care--and growing its infrastructure in order to allow everyone a good basis to actively contribute to China's overall economic development. He added that a fleet of ships could only travel as fast as its slowest ship. If China did not improve its poorest performing provinces, overall economic development would suffer. Xia emphasized that opportunity fairness and outcome fairness were not the same thing and noted that whereas past economic development plans had focused on opportunity, current plans now strove to strike a balance between the two. Only when there was a balance, Xia argued, could China achieve a harmonious society.

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The Fulcrum of Fairness and Efficiency  
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¶17. (C) During a May 11 discussion, Nanjing University Professor Hua Tao said that during China's socialist period under Mao, there had been too much emphasis on "fairness," or equality of outcomes. During the past 20 years of capitalism, however, the pendulum had swung too far the other direction emphasizing "efficiency," or allowing economic disparities to develop while China focused on the most efficient methods of production and wealth building. Harmony--attained through Scientific Development--was the balance needed between the two concepts. Given the excesses of efficiency that China had experienced, it was only natural that there be a slight emphasis on fairness at the present to correct for this.

¶18. (C) Professor Chen Xichun argued that while it was impossible for the Party to get rid of its strong ideological bias toward "fairness," it should not allow the gap between "fairness" and "efficiency" to get too big. He said that if "fairness" came to hold a significant lead over "efficiency," it would breed the re-emergence of government re-distributive programs that would reduce much-needed competition. Nevertheless, he agreed with the current thrust of party policy, noting that more attention needed to be paid to "fairness" and that "fairness" was currently the focus of cadre training.

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Harmony Requires a Strong Central Hand, But Not Too Strong  
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¶19. (C) According to CELAP's Jiang, and CELAP General Office Deputy Director Liu Jingbei, most areas in China would require transfer payments from the central government to build a Harmonious Society. The key to doing so was macroeconomic control, particularly regarding investment. Liu noted that Beijing must be able to prevent each province from independently planning its investment strategy, thus creating great economic inefficiencies. Towards this end, the central government needed to centralize power in the near term, both to institute macroeconomic controls and also to tighten up enforcement of administrative measures, which were often related to the macroeconomic strategy, such as the recent punishment of leaders in Mongolia and Henan for violating policies on the construction of power plants and the use of land, respectively.

¶20. (C) During an April 5 discussion, Nanjing University Sociology Professor Zhou Xiaohong explained that Beijing was caught between a rock and a hard place. On the one hand, the center needed to maintain control or it could not implement national-level macroeconomic policy. However, if it became too controlling it also risked smothering local economic growth. "If you release, it is chaos, but if you grasp, it will die."

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The Shift From Class Struggle to Capitalism  
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¶21. (C) Several contacts emphasized that Hu's Harmonious



Society formulation epitomized the Party's movement away from its revolutionary roots and doctrine of class struggle over the past 30 years and its search for a new form of Marxism to suit today's realities. (Note: The 1978 3rd Plenum that returned Deng Xiaoping to power formally rejected class struggle as the Party's core policy framework, substituting economic development in its place. End note.) During a May 8 conversation with the Consul General and Pol/Econ Section Chief, Weyerhaeuser China General Manager Zhang Renren said that Hu was "rewriting" Communist ideology to replace class struggle with "harmony." During a January 18 discussion, Shanghai University Professor Zhu Xueqin said that at its core, Harmonious Society was about doing away with conflict. That, Zhu said, put it in direct conflict with the fundamental tenets of Marxism which advocated class struggle. He believed that today's leaders were focused on the practical aspects of retaining power, and left it up to state-sponsored scholars to perform the mental gymnastics necessary to make the contradictions with past ideological lines mesh.

122. (C) Zou Nongjian explained that the struggle laid out under traditional Marxism--class struggle--was over. China had now entered the "societal building" phase where it was crucial to focus on cooperation and establishing harmony. The move away from "struggle and revolution" phase of Marxism began under Deng and had only deepened over the past 28 years. SASS Vice President Tong Shijun explained during an April 12 meeting, Marx had argued that struggle was only a tool to reach harmony and Chinese Marxism had advanced past the need for that tool.

123. (C) Tong was adamant, however, that moving past class-struggle did not mean that China had given up on Marxism in favor of becoming a capitalist country. He said that as part of the shift from struggle to harmony, China had learned to co-opt capitalism rather than struggle against it as a means to work towards a non-capitalist utopia. China had adopted the motto of "capital, yes; capitalism, no," meaning that China did not see capital in and of itself as evil, but if profit was the sole criteria for evaluation, then that was unacceptable. According to Tong, the only way to build a sustainable market economy was to combine it with socialism, citing both Marx and George Soros as saying that a strictly market economy left to its own devices was ultimately doomed.

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Death Knell for Marxism?  
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124. (C) During a March 23 discussion, Nanjing University Professor Gu Su argued that President Hu Jintao, through SDC and Harmonious Society, had in effect managed to kill Marxism. While former President Jiang Zemin had succeeded in halfway dismembering the concept of Marxism in China, Hu's ideological contribution was "the last nail in the coffin." Three of the core elements of Marxism--dictatorship of the proletariat, scientific socialism (i.e. public ownership and the command economy), and class struggle--had now irrevocably been abolished. Jiang started with his inclusion of entrepreneurs into the Party. Hu finished the process with his ideological shift toward harmony and pushing through the private property law at the 2007 NPC.

125. (C) Like the apocryphal scientist who boiled the frog by gradually increasing the heat, Gu said Hu was a master of pushing changes through the Chinese political system in a gradual way so that by the time party hardliners figured out what was happening, it was too late for them to change the course Hu had laid out. The beauty of Hu's prowess was that since he structured his ideological shift in Marxist terms, party leftists had no platform from which to attack him. Hu had initially made a great show of supporting party leftists through reassuring words and actions, such as reinstating the Marxist Institute, which had led party reformers to lose hope that change would come. However, as Hu's power base had firmed and his strategy was becoming clear, Gu said it was the leftists who were now "feeling cheated" by Hu.

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¶26. (C) As part of building a Harmonious Society, the party had recently adopted what it referred to as the "Socialist Core Values." According to a December 20, 2006 People's Daily online article, the four main values were: 1) "the Marxist guiding ideology; 2) the common ideal of socialism with Chinese characteristics; 3) the national ethos with patriotism as the core and the spirit of the times with reform and innovation as the core (what Professor Tong referred to as "zeitgeist"); and 4) the socialist concept of honor and disgrace" "with 'the eight honors and the eight disgraces' as the major content" (Ref C). JASS Professor and President of the Political Science School Bian Min explained that a national ethos was needed given the pervasive selfishness that had developed since reforms began. He said that only if the people were united behind the nation could the nation truly develop. He added that the focus on reform and innovation was a reaction to a backlash within the party against reform and opening.

¶27. (C) According to Tong, the Party had formulated the Socialist Core Values for two main reasons. First, the government was worried about maintaining a leading role in an increasingly pluralistic society. Second, there was a pervasive underlying fear that chaos might arise if society lacked common values. JASS Professor Tian said the Chinese value system had become too diversified and had adopted too many Western ideals wholesale. He acknowledged that some Western values, such as charity and respect for human rights, were good and should be adopted. However, Chinese were also adopting negative aspects of Western values, such as "whoring, drugs, and free sex." The Socialist Core Values was aimed at overcoming these negative influences. According to Tong, by providing a core set of social morals, the Party hoped to provide a unifying set of beliefs to maintain social stability while rallying the people around the party.

¶28. (C) Hua noted that there were still many different interpretations of what constituted the Socialist Core Values but that they all had a common theme. Whereas Harmonious Society was the goal of the Party and the Scientific Development Concept was the method and ideology used to reach it, Socialist Core Values were the spiritual essence of the party that people could cling to, helping define the relevance of party leadership to achieve its goals. According to Hua, many scholars had long been arguing that China had "walked too far to the right" and lost its basic values system. They argued that economic reforms in and of themselves had limited utility, in that they contained no values for which to reach. Once people lost their values, they lost their spirituality and "getting rich" became the only goal. Hua explained that it was problematic for a ruling party whose platform was built on lofty ideals when the people lost all belief in idealism. The party had done little to help its image by allowing corruption to become such a pervasive problem among officials at all levels. When people did not believe in ideals and there were no guiding values or beliefs, people began seeing the party as having little relevance and questioning why it should hold a monopoly on power.

¶29. (C) According to Hua, beginning with the Three Represents, the party began trying to redefine its relevance. The party had been the party of the workers, but workers were being laid off. It had been the party of the agricultural class, but the farmers were largely impoverished. Under the Three Represents, the party tried to broaden its appeal by claiming to represent everyone, not just its traditional constituency. By trying to institute a set of core values, Hu was trying to pick up where Jiang had left off by redefining not just who the party represented, but what the Party stood for.

¶30. (C) Xia noted that the Socialist Core Values was still only a theory and that it would take a long time to become a reality. He said that the decline of morality in Chinese society was a

"fact" that could not be avoided during societal transition. Old beliefs had been erased, but new ones had not yet been established. The morality needed to accompany the market was still missing. Moreover, structural problems within the political system had allowed many government officials to use the market economy to parlay their positions into personal profit. Until the structural issues were resolved, Xia said, establishing a new morality would not be able to resolve all of the problems. Xia argued that China needed a more complete legal system and increased supervision of government officials by the media and the people.

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Ideological Differentiation: No Contradictions, Merely Expansions

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¶31. (C) According to Nanjing University Sociology Professor Zhou Xiaohong and Hua Tao, every new leader needed to differentiate himself from his predecessor and each faced his own unique problems and circumstances. JASS Institute of Sociology Director Chen Yi argued, however, that none of these ideological differentiations were mutually contradictory. Indeed, each successor's contributions built on and deepened the legacy of his predecessor. First, there was Deng Xiaoping's Theory which took building a "well-off society" (xiaokang shehui)--as defined by attaining a per-capita GDP of USD 800 by the end of the century--as its goal. Then, Jiang Zemin formulated the Three Represents and upped the ante to establish an "all around moderately well-off society" (quanmian xiaokang shehui). To do so, Jiang advocated the "Six Mores," including having: 1) the economy be more developed; 2) politics be more democratic; 3) culture being more civilized; 4) science and technology becoming more advanced; 5) society becoming more harmonious; and 6) people attaining more wealth. Now, Hu was using the SDC to build a Harmonious Society. Each leader expounded on some part of his predecessor's words in an effort to adapt to the changing reality of a developing country.

¶32. (C) SASS Vice President Tong argued that since the beginning of reforms, the leadership had pursued a straight course that had to be adapted to the reality of the situation. For instance, both Deng and Jiang had stressed socialism in theory, but in practice, China was at a stage where it needed to focus on market development. If it had not been for the previous decades of stress on economic development and building wealth, President Hu would not have the needed resources to fix the problems of today. Unlike the other contacts with whom we spoke, Tong argued that in fact, there had never been an "ideological" shift in the party, rather a series of "policy" shifts, which many leaders and scholars "mislabelled" as new ideologies in order to differentiate themselves from their predecessors. When pressed, however, Tong did acknowledge that there was no clear line between policy and ideological theory.

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Hu May Get the Constitution, But is it Needed?

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¶33. (C) Cheng was confident that Hu would get the SDC into the party constitution at the 17th Party Congress, making it a matter of time before the state constitution was likewise amended. Hua on the other hand, was less convinced that Hu and Wen could succeed in changing the party constitution. He noted that there were many academics opposed to Hu's desire to rewrite the document. Although rewriting the party constitution to reflect the leading ideology had become almost a perk of being the top leader--the document was altered to reflect both "Deng Xiaoping Theory" and "The Important Thinking of the Three Represents"--the constant revisions had turned the constitution into a meaningless document. Hua said that having "The Scientific Development Concept" in the constitution was not



necessarily in and of itself a bad thing, but added "why is it  
necessary for every new ideology to go in?"  
JARRETT